



# WASHOE COUNTY

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CM/ACM   
Finance   
DA   
Risk Mgt. n/a  
HR n/a  
Other \_\_\_\_\_

## STAFF REPORT

BOARD MEETING DATE: September 13, 2016

**DATE:** August 24, 2016  
**TO:** Board of County Commissioners  
**FROM:** Alison Gordon Internal Audit  
328-2064, agordon@washoecounty.us  
**THROUGH:** John Slaughter, County Manager  
**SUBJECT:** Acknowledge Receipt of Annual Report from the Internal Audit  
Division for FY 2015-16 (All Commissioner Districts)

### SUMMARY

Section 15.569.4 of the Washoe County Code requires the Internal Auditor to submit an annual report to the Board of County Commissioners each fiscal year indicating audits completed, major findings, correction actions taken, and significant findings that have not been fully addressed.

**Strategic Objective supported by this item:** *Stewardship of Our Community*

### PREVIOUS ACTION

No previous action has been taken on this Board item.

### BACKGROUND

The following audit reports were submitted to the Board of County Commissioners during FY 2015-16. The status of the recommendations was made with input from each department; and is reported with the findings in the attached spreadsheet.

1. District Attorney's Office 2015 Audit – August 25, 2015
2. Worker's Compensation Audit – December 8, 2015

### FISCAL IMPACT

No fiscal impact.

### RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge receipt of annual report from the Internal Audit Division for FY 2015-16.

AGENDA ITEM # 6.F.2.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "Move to acknowledge receipt of annual report from the Internal Audit Division for FY 2015-16."

**Status of Findings and Recommendations**

**FY2016**

Audit Report	Ref	Finding	Recommendation	Status
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District Attorney's Office		A sample of 24 deposits were reviewed during FY 15 and found none showed evidence of supervisor review and approval.	The Fraud Check Unit should review and approve deposits, and ensure documentation exists evidencing this review and approval.	Implemented - The department reports the recommendation is implemented.
	1.1	SAP inventory does not include all District Attorney's office firearms.	All firearm inventory should be recorded in SAP.	Implemented - The department reports the recommendation is implemented.
	1.2	SAP inventory included firearms that the County no longer owns.	Firearms disposed of need to be removed from SAP.	Implemented - The department reports the recommendation is implemented.
	1.3	The Investigations Division did not have an inventory list to account for the firearms it was responsible for.	The Investigations Division should maintain a list of the firearms it is responsible for.	Implemented - The department reports the recommendation is implemented.
	1.4	The Investigations Division Range Master's list of firearm assignments was not up-to-date.	The Investigations Division Range Master should maintain a list of weapon assignments.	Implemented - The department reports the recommendation is implemented.
	1.5	We found \$1,362 in an envelope which was identified as the supplemental employee recognition fund in the County safe, where other County monies were stored.	Supplemental employee recognition fund monies need to be removed from the County safe and stored away from County monies.	Implemented - The department reports the recommendation is implemented.
	1.6	See finding 1.6 above.	Best practices need to be followed in administering the supplemental employee recognition fund.	Implemented - The department reports the recommendation is implemented.
	1.7	The District Attorney's Office has been holding \$1,150 in restitution, that was received three years ago in FY 2012 pertaining to a District Attorney Snack Bar employee theft.	Restitution monies given to the District Attorney's Office should be donated as appropriate.	Implemented - The department reports the recommendation is implemented.
	1.8	The Investigation Division does not have policies and procedures in place to document the various practices involved with its administrative functions.	The Investigations Division needs to develop and document policies and procedures for its administrative functions.	Implemented - The department reports the recommendation is implemented.
	1.9	The District Attorney's Office CPS Unit has a backlog in its casework due to staffing shortages.	Consider adding another CPS Unit attorney and legal secretary to the Child Protective Services Unit.	Partially implemented - The department reports an attorney added to the CPS unit. The hiring of an additional legal secretary position is in progress.

**Status of Findings and Recommendations  
FY2016**

Partially Implemented - The department reports the current funding for these positions comes from Social Services but the District Attorney's Office is still in the process of identifying other long-term funding sources.

Work with County management to identify a permanent funding source to fund these positions.

2.2 See finding 2.1 above.

The District Attorney Victim Witness Assistance Center front desk staff have the ability to issue a witness fee check to themselves, family members or friends.

Ensure the roles pertaining to processing witness checks in the automated system do not allow staff to change witness names and addresses.

Implemented - The department reports the recommendation is implemented.

The District Attorney Fraud Check Unit does not maintain a list of returned restitution payment checks kept in the safe.

Implemented - The department reports the recommendation is implemented.

Eight returned restitution checks were over a year old, but there was no documentation of staff performing a good faith effort to locate the payee.

Implemented - The department reports the recommendation is implemented.

One of the returned restitution checks had been voided in the automated system but the check was still in the safe and did not show being voided.

Implemented - The department reports the recommendation is implemented.

One returned restitution check was still in the safe were a stop payment have been issued, but this is not documented on the check.

Implemented - The department reports the recommendation is implemented.

There was no documentation to support that void restitution checks were approved by supervisor.

Implemented - The department reports the recommendation is implemented.

4.6 See finding 4.2 above.

Perform and document the good-faith effort to contact payees on restitution payment checks that have been outstanding for three months or more.

Implemented - The department reports the recommendation is implemented.

The District Attorney's Office does not have policies and procedures in place for its victim fund.

Victim fund policies and procedures need to be developed including the types of expenditures allowed as well as requiring documentation showing how these expenditures support a victim(s) of crime.

Implemented - The department reports the recommendation is implemented.

**Status of Findings and Recommendations  
FY2016**

There was no documentation in place showing the victim fund expenditures were approved by the Supervising Investigator or the District Attorney.

All victim fund expenditures should be reviewed and approved by the Supervising Investigator or the District Attorney, and documented on the expenditure request form.

Implemented - The department reports the recommendation is implemented.

The victim fund inappropriately included employee donations for the annual holiday event and reimbursements from staff for items such as employee travel advances.

The victim fund should only include revenues from restitution monies collected where the payee cannot be located and donations of witness fees.

Implemented - The department reports the recommendation is implemented.

The victim fund inappropriately included expenditures for conference registration fees, and employee travel advance, and donations to a girls' softball league, among others

Victim fund expenditures should be used to compensate victims of crime.

Implemented - The department reports the recommendation is implemented.

For FY 2013, holiday event expenses paid through the victim fund were \$20.76 more than the employee donations recorded in the victim fund.

The victim fund needs to be reimbursed for the \$20.76 shortfall from the FY 2013 holiday event and not used in the future for these types of expenses.

Implemented - The department reports the recommendation is implemented.

The District Attorney's Office can improve its efficiency and effectiveness with certain enhancements to its automated case management system.

Work to make various enhancements to the automated case management system to help staff more effectively and efficiently manage their cases and work assignments.

Implemented - The department reports the recommendation is implemented.

1.1 No finding.

N/A

**Workers' Compensation Program**

The County should enhance the promotion of wellness resources available to County employees.

Partially implemented - The program reports the Sheriff's Office added links to wellness resources on their InSight Educational and resource information is forwarded by Risk Management to employees who have risk factors identified during their annual physicals. For other departments - Risk Management is working with Human Resources regarding sharing wellness information on the intranet. Completion is expected by December 2016.

County department supervisors are not always submitting required workers compensation claim forms timely.

Partially Implemented - The Program reports this education is on-going. This topic is discussed in a Guide to Worker's Compensation which is in its final draft stage. When complete, the Guide will be announced to department management, area HR reps, and area Safety Reps, and posted on-line in the Risk Management section. Completion is expected in September 2016.

## Status of Findings and Recommendations FY2016

- County employee time recording of workers' compensation related doctor's appointments was inconsistent with applicable labor agreements.
- 3.2 Work with the Safety Committee to identify the best way to inform employees and supervisors of the rules regarding time recording when injured. Implemented - See the Program's response in 3.1 above.
- 3.3 Provide workers' compensation time according rules to the departmental HR representatives. Implemented - See the Program's response in 3.1 above.
- 3.4 Update the "quick" reference sheet with pertinent claim in time recording requirements for employees, supervisors, department management and HR representatives. Implemented - See the Program's response in 3.1 above.
- 3.5 In coordination with County management, the Safety Committee, and County Human Resources Department, update written procedures for workers' compensation practices for all County departments to follow in handling workers' compensation claims and time recording so all County claims are administered consistently. Implemented - See the Program's response in 3.1 above.
- 3.6 County departments are not always following workers' compensation permanent disability requirements. Ensure consistency in administration of claims where employees receive permanent restrictions. Implemented - See the Program's response in 3.1 above.
- 4.1 The County's Risk Management Division would benefit from having Comptroller in place to stabilize the leadership of the program. County Management should continue moving forward to fill the Comptroller position. Implemented - The County has filled the Comptroller position.
- 5 The workers' compensation program needs to require CCMSI to submit copies of their SSAE 16 Reporting on Controls at a Service Organization when issued. The County should require the workers' compensation program third-party administrator, CCMSI, to submit copies of their SSAE 16 reports when issued. Implemented - The program reports this recommendation is implemented.
- 6.1 The workers' compensation program can be improved upon with the development and implementation of a case management system. The workers' compensation staff should continue to work with the County Technology Services Department staff to identify the best system to provide the required data. Partially Implemented - The Program reports Technology Services has provided enhancements to the data fields and report features of the pre-existing database. Historical information was loaded into the database and it is being used for updates and new claims. Completion is expected in October 2016
- 6.2 See 6.1 above. The workers' compensation staff should implement an automated method for recording workers' compensation claim data. Implemented - See the Program's response in 6.1 above.

## Status of Findings and Recommendations

FY2016

Review the workers' compensation and safety committee intranet pages and work with the Risk Management staff, Safety Committee and Technology Services to make workers' compensation and safety information or easily accessible by County employees.

The workers' compensation website needs to be consolidated in one location to facilitate use by County employees.

Implemented - The Program reports updates have been made and will continue to be made for this on-going project.

Implemented - The Program reports department management, area HR reps, and area Safety Reps are referred to the sites on a regular basis. A message to those parties will be sent when the sites contain key components, such as the Guide to Worker's Compensation, or other important information updates. This education is on-going.

Send a countywide email to notify employees of how to locate workers' compensation and safety information on the County intranet.

7.2 See 7.1 above.

Continue to promote the website during new employee orientations, safety training, and to department representatives opportunities present themselves.

Implemented - The department reports education in on-going.

7.3 See 7.1 above.